Filing Date: August 15, 2001
Appin. No. 09/930,913
Title: "System and Method for Evaluating Real Estate
Financing Structures" (Braun, et al.)
Attorney: Stephen T. Scherrer (Reg. No. 45,080)
Tel: (312)372-2000 Fax: (312)984-7700
Docket No. 24534-080000

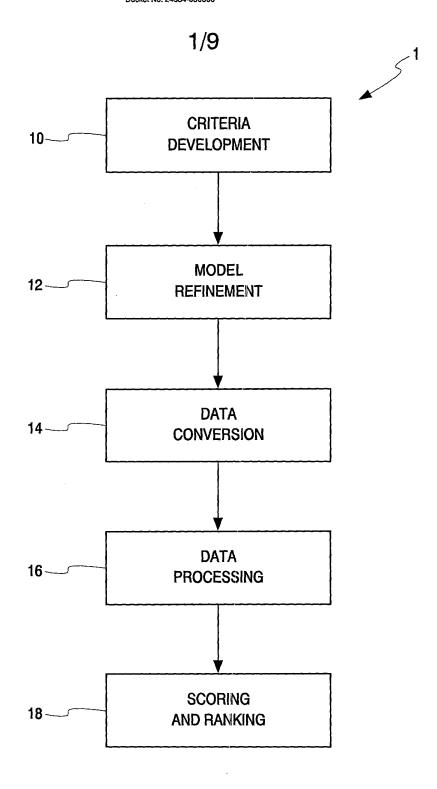
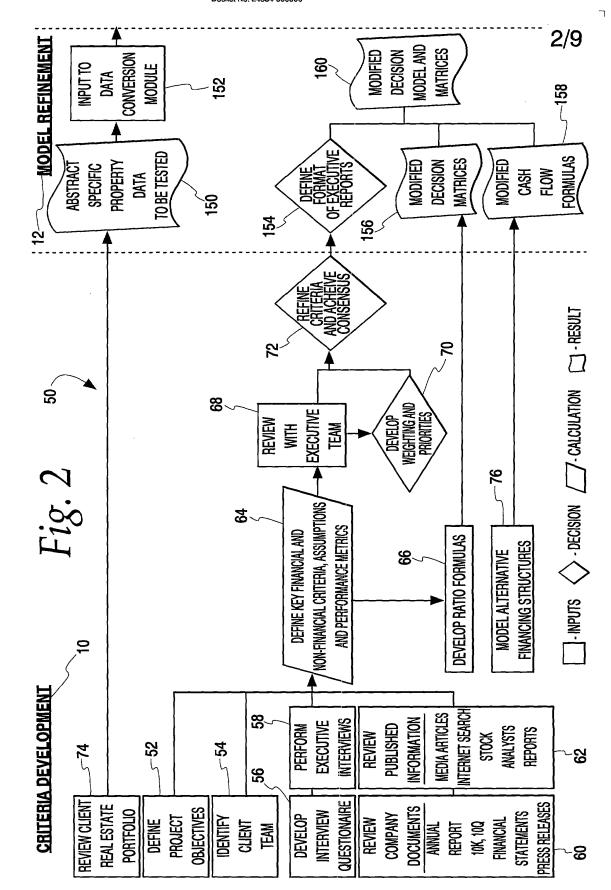


Fig. 1

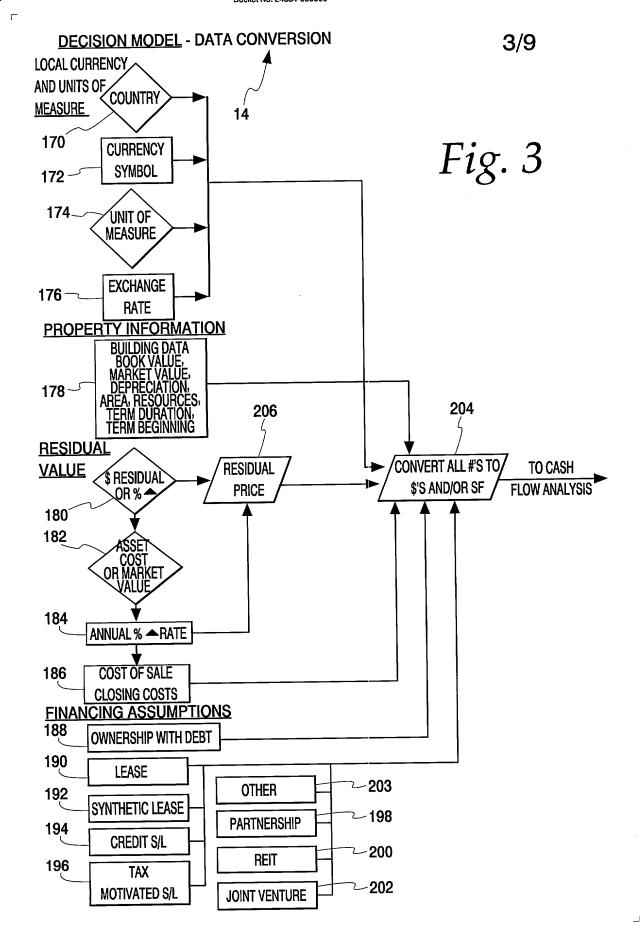
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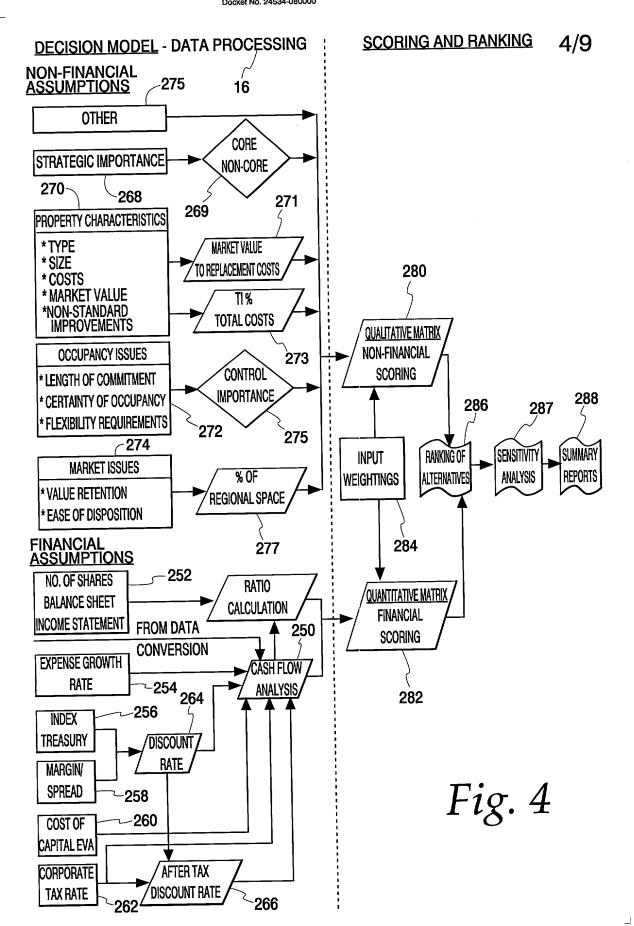
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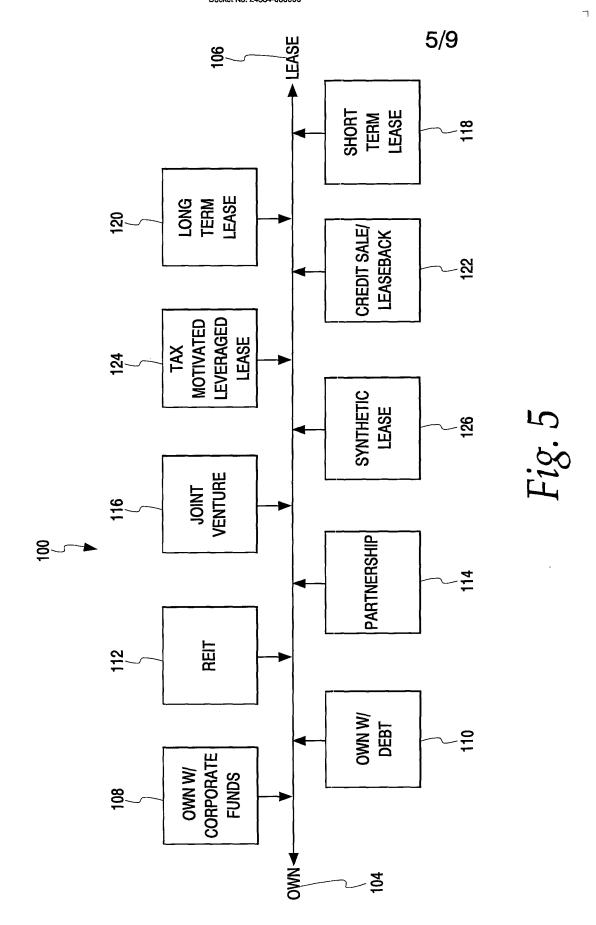
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6/9

SCORING MATRIX - QUANTITATIVE FACTORS	BASE MODEL: "NEW ACQUISITION" REAL ESTATE SOLUTION - LEASE VS. BUY ANALYSIS SCORING MATRIX - FINANCIAL
SCORING MATRI	BASE MODEL: "NEW PREAL ESTATE SOLUT SCORING MATRIX - FI

Fig. 6A

							L
		OWNERSHIP - DEBT	P-DEBT	SYNTHETIC LEASE.	CLEASE	LEASE	7
	WEIGHTING	SCORE	WTD. SCORE	SCORE	SCORE	SCORE	SCORE
FINANCIAL							
1 NET PRESENT VALUE AFTER TAX	20%	3	1.50	2	1.00	-	0.50
2 ECONOMIC VALUE-ADDED (EVA)	10%	က	0.30	2	0.20	-	0.10
ŀ				8		12	
AVERAGE / WEIGHTED AVERAGE	2%	1	0.05	1.5	80'0	1.5	0.08
4 P&L COST IMPACT: 1ST YEAR IMPACT ON EARNINGS (LOSS) FROM CONTINUING OPERATIONS 12 YEAR CHAIN ATVENMENT ON EARNINGS (LOSS) FROM CONTINUING OPERATIONS		3		3			
AVERAGE / WEIGHTED AVERAGE	15%	2.5	0.38	2.5	0.38		0.15
5 CREDIT RISK: EBIT INTEREST COVERAGE EBITDA INTEREST COVERAGE FREE CASH FLOWS TO TOTAL DEBT ELINDS FROM OPERATIONS TO TOTAL DEBT		ოოოო		ผผผผ			
AVERAGE / WEIGHTED AVERAGE	15%	က	0.45	2	0.30	1	0.15
6 PROFITIBILITY RATIOS: DILUTED EPS FROM CONT. OPER. OPERATING PROFIT/NET SALES RETURN ON ASSETS RETURN ON EQUITY BETTIRN ON TOTAL CAPITAL		00000		തവതത			
AVERAGE / WEIGHTED AVERAGE	2%	2.2	0.11	2.8	0.14	-	0.05
	100%		2.79		2.09		1.03

Fig. 6B SCORING MATRIX - QUALITATIVE FACTORS (RAW SCORES)
BASE MODEL: "NEW ACQUISITION"
REAL ESTATE SOLUTION - LEASE VS. BUY ANALYSIS
NON-FINANCIAL INPUT

7/9

LARGE **415%** IMPORTANT TERTIAR ×208 HGH 50% - 80% <IMPORTANT</p> 20%-50% SECONDARY FOURTBRUIN MEDIUM MEDIUM H LEASE MEDIO 8 NON-CORE NOTCRITICAL OVERSUPPLY TERTIARY | PRIMARY NMOQ SMALL **%** HGH >80% MO ₫ Q <IMPORTANT IMPORTANT</p> UNDERSUPPLY \$50% LARGE CORE <75% 뙲 >50% 쯡 ۵, SYNTHETIC LEASE 50% - 80% 75-100% FOURTHINE MEDIUM 20%-50% SECONDARY MEDION MEDIUM 5-9 FIAT ೫ NON-CORE IMPORTANT | NOT CRITICAL EQUILIBRIUM UNDERSUPPLY | OVERSUPPLY PRIMARY 쯢 NMOG SMALL %85 <20% 뗛 TENTIARY LARGE **50%** >50% <75% MOI 照 超 OWNERSHIP DEBT < IMPORTANT 50% - 80% SECONDARY 75-100% 20%-50% MEDIUM MEDIUM MEDIUM 5-9 ELAT 28 NON-CORE NOT CRITICAL PRIMARY A TIGHT SHEAR HIGH <20% >100% 8 **≷** Ş IMPORTANT PRIMARY EQUILIBRIUM MEDIUM 20% - 50% MEDIOM LARGE <u>√</u> %9% CORE SCORE 8 **50% ≙** DEGREE CRITICAL TO BUSINESS TOTAL REPLACEMENT COST MARKET VALUE/REPLACE COST TI'S % OF BUILDING COST MARKET CONFORMANCE LEVEL OF IMPORTANCE DETERMINANT LEVEL OF CERTAINTY RENT/VALUE TRENDS **ENTITY % OF REGION QUALITY OF MARKET** SIZE OF MARKET 8 PROPERTY CHARACTERISTICS FACILITY SIZE SQUARE FEET **TERM IN YEAR** DEGREE ENTITY SPECIFIC MARKET VALUE/ BOOK VALUE FLEXIBILITY: CONTROL OF ENVIRONMENT 9 OCCUPANCY ISSUES: LENGTH OF COMMITTMENT CERTAINTY OF OCCUPANCY CRITERIA 7 STRATEGIC IMPORTANCE EASE OF DISPOSITION: REPLACEMENT COST 10 MARKET ISSUES LIQUIDITY: VALUE RETENTION:

SCORING MATRIX - QUALITATIVE FACTORS (WEIGHTED SCORES)

Fig. 6C

BASE MODEL: "NEW ACQUISITION" REAL ESTATE SOLUTION - LEASE VS. BUY ANALYSIS SCORING MATRIX - NON FINANCIAL

3 0.45 3 0.45 1 2 2 2 2 2 2 2 2 1 3 3 3 2.0 0.46 2.5 0.58 2.0	0.45 3 0.45 2 2 2 3 3 0.45 0.46 2.5 0.58	0.45 3 0.45 3 2 2 3 3 0.45 0.46 2.5 0.58	0.45 3 0.45 3 2 2 3 3 0.45 0.46 2.5 0.58 2 2 2 0.70 1.7 0.50	0.45 3 0.45 3 2 2 3 3 0.45 0.46 2.5 0.58 2 2 2 0.70 1.7 0.50	0.45 3 0.45 3 2 2 3 3 0.45 0.46 2.5 0.58 2 2 2 0.70 1.7 0.50	0.45 3 0.45 3 0.45 3 0.45 0.46 2.5 0.58 2 2 2 2 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	0.45 3 0.45 3 0.45 3 0.45 0.46 2.5 0.58 2 2 2 0.70 1.7 0.50 3 3 3 3 3 3 3 4 0.77
0.46 2.5	0.46 2.5 3	0.46 2.5 3	0.46 2.5 0.70 1.7	0.46 2.5 0.70 1.7	0.45 3 6 0.46 2.5 3 0 0.70 1.7 2 3 3 6 3 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	0.46 0.46 33 3 0 0 0.70 1.7 2 3 3 3 3 3 3 3 3 4 3 3 4 3 3 5 5 5 5 5 5	0.45 3 C C C C C C C C C C C C C C C C C C
0.45	0.46	0.46	0.46	0.46	0.46	0.46	0.45
	[N]	1 1 1641	S	6 600 - 2 60 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	8 8221 20 82 20 T	6	[8] (Seded) [8]
15%							
	NON-FINANCI STRATEGIC II PROPERTY C FACILITY SI REPLACEM DEGREE EN MARKET VA AVERAGE / OCCUPANCY CERTAINTY	PROPERTY FACILITY PEPLACI DEGREE MARKET AVERAG CERTAIN CERTAIN PLEXIBIL	NON-FINANCIAL 7 STRATEGIC IMPORTANCE 8 PROPERTY CHARACTERISTICS FACILITY SIZE REPLACEMENT COST DEGREE ENTITY SPECIFIC MARKET VALUE/BOOK VALUE AVERAGE / WEIGHTED AVERAGE 9 OCCUPANCY ISSUES: LENGTH OF COMMITTMENT CERTAINTY OF OCCUPANCY FLEXIBILITY: CONTROL OF ENVIRONMENT AVERAGE / WEIGHTED AVERAGE	NON-FINANCIAL 7 STRATEGIC IMPORTANCE 8 PROPERTY CHARACTERISTICS FACILITY SIZE REPLACEMENT COST DEGREE ENTITY SPECIFIC MARKET VALUE/BOOK VALUE AVERAGE / WEIGHTED AVERAGE 9 OCCUPANCY ISSUES: LENGTH OF COMMITTMENT CERTAINTY OF OCCUPANCY FLEXIBILITY: CONTROL OF ENVIRONMENT AVERAGE / WEIGHTED AVERAGE AVERAGE / WEIGHTED AVERAGE	NON-FINANCIAL 7 STRATEGIC IMPORTANCE 8 PROPERTY CHARACTERISTICS FACILITY SIZE REPLACEMENT COST DEGREE ENTITY SPECIFIC MARKET VALUE/BOOK VALUE 4 OCCUPANCY ISSUES: 10 MARKET ISSUES: 11 MARKET ISSUES: 12 MARKET ISSUES: 13 MARKET CONFORMANCE	NON-FINANCIAL 7 STRATEGIC IMPORTANCE 8 PROPERTY CHARACTERISTICS FACILITY SIZE REPLACEMENT COST DEGREE ENTITY SPECIFIC MARKET VALUE/BOOK VALUE AVERAGE / WEIGHTED AVERAGE 9 OCCUPANCY ISSUES: 1 LENGTH OF COMMITTMENT CERTAINTY OF OCCUPANCY FLEXIBILITY: CONTROL OF ENVIRONMENT AVERAGE / WEIGHTED AVERAGE 10 MARKET ISSUES: 10 MARKET ISSUES: 11 MARKET SSUES: 12 MARKET CONFORMANCE EASE OF DISPOSITION: SIZE OF MARKET QUALITY OF MARKET	
PROPERTY CHARACTERISTICS FACILITY SIZE REPLACEMENT COST DEGREE ENTITY SPECIFIC MARKET VALUE/BOOK VALUE AVERAGE / WEIGHTED AVERAGE	PROPERTY CHARACTERISTICS FACILITY SIZE REPLACEMENT COST DEGREE ENTITY SPECIFIC MARKET VALUE/BOOK VALUE AVERAGE / WEIGHTED AVERAGE OCCUPANCY ISSUES: LENGTH OF COMMITTMENT CERTAINTY OF OCCUPANCY	PROPERTY CHARACTERISTICS FACILITY SIZE REPLACEMENT COST DEGREE ENTITY SPECIFIC MARKET VALUE/BOOK VALUE AVERAGE / WEIGHTED AVERAGE OCCUPANCY ISSUES: LENGTH OF COMMITTMENT CERTAINTY OF OCCUPANCY FLEXIBILITY: CONTROL OF ENVIRONMENT	CHARACTERISTICS SHARACTERISTICS IZE NTITY SPECIFIC ALUE/BOOK VALUE VWEIGHTED AVERAGE COMMITTMENT COM	CHARACTERISTICS SHARACTERISTICS IZE MITTY SPECIFIC ALUE/BOOK VALUE ALUE/BOOK VALUE VWEIGHTED AVERAGE V ISSUES: F COMMITTMENT Y OF OCCUPANCY Y: I OF ENVIRONMENT Y: I WEIGHTED AVERAGE VWEIGHTED AVERAGE VWEIGHTED AVERAGE SUES:	CHARACTERISTICS SHARACTERISTICS SIZE MITTY SPECIFIC ALUE/BOOK VALUE ALUE/BOOK VALUE VEIGHTED AVERAGE Y OF OCCUPANCY Y: OL OF ENVIRONMENT VOF OCCUPANCY Y: SUES: SUES: RETENTION: RETENTION:	CHARACTERISTICS SHARACTERISTICS ALUE/BOOK VALUE ALUE/BOOK VALUE ALUE/BOOK VALUE ALUE/BOOK	CHARACTERISTICS ILZE MITTY SPECIFIC ALUE/BOOK VALUE ALUE/BOOK VALUE I SSUES: F COMMITTMENT Y OF OCCUPANCY Y: I SSUES: F COMMITTMENT Y OF OCCUPANCY Y: I SSUES: F COMMITTMENT Y OF OCCUPANCY Y: I SSUES: I OF ENVIRONMENT Y OF ENVIRONMENT I OF MARKET I OF MARKET I OF MARKET I ITY OF MARKET I ITY WOF MERION WEIGHTED AVERAGE TVALUE TRENDS TY % OF REGION
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9/9

SCORING MATRIX - COMBINED

BASE MODEL: "NEW ACQUISITION"
REAL ESTATE SOLUTION - LEASE VS. BUY ANALYSIS
SCORING MATRIX - COMBINED (FINANCIAL AND NON-FINANCIAL TOTALS)

	OWNERS	WNERSHIP - DEBT SYNTHETIC LEASE	SYNTHE	TICLEASE	LEA	LEASE
	RANK	RANK SCORE RANK SCORE RANK SCORE	RANK	WTD SCORE	RANK	WTD SCORE
FINANCIAL SCORING TOTALS	3	2.79	2	2.09	1	1.03
NON-FINANCIAL SCORING TOTALS	~	2.25	က	2.29	·,—	1.88

FINANCIAL SCORING RANK (3+HIGHEST, 1+LOWEST)

3 OWNERSHIP - DEBT 2 SYNTHETIC LEASE 1 LEASE

3 SYNTHETIC LEASE 2 OWNERSHIP - DEBT 1 LEASE

NON-FINANCIAL SCORING RANK (3+HIGHEST, 1+LOWEST)

Fig. 6D

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